
PRELIMINARY DRAFT
No. 3278

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2008 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 10-12-5.

Synopsis: State police supplemental benefit. Revises the computation for the supplemental benefit provided to members of the state police pre-1987 benefit system to include in the amount paid in the first year the retired member is eligible for the benefit the salary increases paid to active members in the period after the member retired and before the member first qualified for the supplemental benefit.

Effective: July 1, 2007 (retroactive).



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 10-12-5-3, AS AMENDED BY P.L.189-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall:

(1) annually provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3; and

(2) meet at least one (1) time each year to add to the regular pension benefit or annuity and any previously granted supplemental benefit the amount described in subsection (c) or (d).

(c) This subsection applies only to a retiree who is eligible for the first time under section 2 of this chapter to receive a supplemental benefit. The supplemental benefit referred to in subsection (b)(2) for a retiree in the first year the retiree is eligible for a supplemental benefit is the sum of:

(1) the difference between:

(A) the retiree's pension benefit; and

(B) the pension benefit:

(i) received by an employee retiring in that year from the department with twenty (20) years of active service; and

(ii) computed on the day the pension advisory board meets as required under subsection (b)(2); plus

(2) any amount computed under subsection (d) after the date the retiree reaches fifty-five (55) years of age.

~~(c)~~ (d) This subsection applies to a retiree who is eligible under section 2 of this chapter to receive a supplemental benefit, but whose supplemental benefit is not computed under subsection (c). The supplemental benefit referred to in subsection (b)(2) is equal to fifty percent (50%) of the difference between:



(1) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service the day after a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service; and

(2) ~~the lesser of:~~

~~(A) the pension benefit received by the employee beneficiary;~~
or

~~(B) the pension benefit received by an employee retiring from the department with twenty (20) years of active service the day before a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service.~~

SECTION 2. IC 10-12-5-4, AS AMENDED BY P.L.189-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: Sec. 4. As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the ~~fifty percent (50%)~~ increase provided in ~~section 3~~ **section 3(c) or 3(d)** of this chapter, at the rate of a five percent (5%) per year increase for each year of active service over twenty (20) years up to thirty (30) years of service, as calculated in section (3)(c) **or 3(d)** of this chapter.

SECTION 3. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] **(a) IC 10-12-5-3 and IC 10-12-5-4, both as amended by this act, apply to supplemental benefits payable after June 30, 2007, to retired employee beneficiaries of the state police pre-1987 retirement system established under IC 10-12-3.**

(b) The payment of a supplemental benefit recomputed under IC 10-12-5-3 and IC 10-12-5-4, both as amended by this act, for the period after June 30, 2007, and before the date on which the recomputed supplemental benefit is first paid, must be reduced by the amount of any supplemental benefit computed and paid after June 30, 2007, under IC 10-12-5-3 and IC 10-12-5-4 before those sections were amended by this act.

SECTION 4. An emergency is declared for this act.

